

A DECADE'S EFFORT PAYS OFF FOR ONE SMALL BUSINESS EXPORTER

by John Ward

Office of Public Affairs

Small Business Exporter of the Year Lalit Chordia is helping southwestern Pennsylvania realize its export potential while reaping the benefits of international sales for his company, Thar Technologies.

To those accustomed to thinking of the Pittsburgh area as an economic dynamo — with its tech-oriented universities such as Duquesne and Carnegie-Mellon, and a well-established industrial base — it may come as a surprise that the area is a comparative laggard in exports. But it's true: according to export statistics compiled by the U.S. Department of Commerce, just 17.5 percent of the region's companies exported in 1999 (the latest year available for complete numbers), compared to 20 percent of companies in comparable metropolitan regions, such as Cleveland, Miami, or Seattle. But over the past 10 years, at least one company, Thar Technologies, Inc., has been showing small companies in the Pittsburgh area that exporting is an achievable, attractive option for them. And in recognition of this, the U.S. Small Business Administration this year named Thar's president and founder, Dr. Lalit Chordia, as the 2002 Small Business Exporter of the Year.

DEFINING A NICHE

A native of India, Dr. Chordia studied chemical engineering at the Indian Institute of Technology and later at

Carnegie-Mellon University, where he received his Ph.D. in 1985. While studying, he founded Suprex Corp. in 1982. Later, seeking to exploit the commercial potential of high-pressure carbon dioxide process technologies that use so-called "supercritical fluid" technology, Dr. Chordia founded Thar Technologies in 1990.

A "supercritical fluid" is a solvent that can be either liquid or gas, used in a state above the critical temperature and pressure where gases and liquids can coexist. Among other things, it is used in extraction processes, such as the removal of essential oils from plants, caffeine from coffee, and impurities

from drugs. The systems put together by Thar Technologies utilize carbon dioxide, which has the advantage of being physiologically safe, environmentally acceptable, and non-polluting. It has added advantages in that it is ozone-friendly and does not contribute to global warming.

Since its inception, Thar Technologies has been involved in the design, development, and manufacture of pumps, heat exchangers, and all other components that go into supercritical equipment. According to Thar's marketing director, Todd Palcic, the company has been able to distinguish itself in the market by its emphasis on product



Two employees of Thar Technologies check one of the company's supercritical fluid systems.

Photo courtesy of Thar Technologies

design — with lighter, easier-to-use components — and the advanced software it offers with its systems.

The company has experienced steady growth. From one division and seven employees in 1995, Thar Technologies has grown to four divisions and 29 employees in 2002. It now is housed in two locations in Pittsburgh.

MOVING INTO THE GLOBAL MARKET

Since the company's inception, Dr. Chordia has been fervent in supporting and developing overseas markets for Thar Technologies. To start, the company found a European distributor, and made use of Duquesne University's Export Trade Assistance program. This program is part of the Duquesne University Chrysler Corporation Small Business Development Center (SBDC). It offers a wide array of services for exporters, including consulting, seminars, planning workshops, and information on partnerships.

The company also took advantage of the resources offered by Pennsylvania's Department of Community and Economic Development. Among other things, this state agency maintains a network of foreign offices — currently there are 17 — to promote exports by Pennsylvania companies. According to Thar's Todd Palcic, the in-country staff of the state agency was particularly helpful to Thar's marketing efforts by prescreening contacts, offering cultural tips to the company, making introductions, and setting up interviews. At one point, a staffer from Pennsylvania's Brussels office even drove a Thar rep to a hard-to-find location. According to Palcic, this helped the company establish a presence in the Benelux countries.

The company also made sure to participate in trade missions that could help it to expand into new markets. For example, using a market access grant that the company obtained from the Pennsylvania Department of

Community and Economic Development, Thar was able to participate in a trade mission to Asia that included visits to Vietnam, Korea, and Japan. Another opportunity came in March 2000, when the company participated in a trade mission to India, led by Lt. Governor Mark Schweiker. During this visit, Thar successfully concluded negotiations with Indo-Global Spices of Bangalore. The deal was worth \$1.1 million, and created 20 new jobs in Pennsylvania. Another trade mission that year, in November 2000, took Thar Technologies to Argentina, Brazil, and Chile.

These efforts have paid off for the company: According to Dr. Chordia, Thar Technologies' business is now almost as large as its domestic business. The company's export sales grew from 6 percent of sales in 1997 to 48 percent of sales in 2001. And the advantages of global sales for Thar, even in a period of slowed economic growth, have been evident. "International [business]," said Chordia recently to *Pittsburgh Prospects* magazine, "takes out some of the ups and downs of the U.S. economy."

GIVING BACK TO THE EXPORTING COMMUNITY

In expanding overseas, Dr. Chordia did not forget the Pittsburgh business community. Making himself available to other small business owners, he has acted as a mentor, and has offered his foreign distributors and representatives as channels for other local small businesses. He has also been active in the exporting community, serving on the World Affairs Council of Pittsburgh, the Leadership Council of Pittsburgh, and the District Export Council. Dr. Chordia is also the founder of the U.S.-India Forum, a group that promotes business and political cooperation between the two countries. ■

LEVERAGING YOUR LOCAL RESOURCES

There is no need to shy away from exporting due to your company's location. Wherever your company is located in the United States, there are a number of resources available to you for easing the transition into international sales. Many of these resources have a special focus on the needs of small and medium-sized firms:

- **Small Business Development Centers (SBDCs).** These are counseling and assistance centers co-funded by the U.S. Small Business Administration and individual state governments. Many of the SBDCs, such as the one located at Duquesne University in Pittsburgh, have special programs geared to meet the needs of small business exporters. A complete list of SBDCs can be found on the Web at www.sba.gov/sbdc, or call the Small Business Answer Desk at (800) 827-5722.
- **U.S. Export Assistance Centers (USEACs).** These consist of a network of over 100 centers located across the country. They are co-funded by five federal agencies, and were established to serve as one-stop shops to provide hands-on export marketing and trade finance support to small and medium-sized firms. To locate the USEAC nearest you, go to the Web at www.export.gov, or call the Trade Information Center at (800) 872-8723.
- **State Export Offices.** Many states have both domestic and overseas export promotion offices. The state of Pennsylvania, for example, maintains 17 overseas offices that provide such services as in-country trade assistance, market intelligence, and identification of potential partners. Links to state offices can be found on the Web at www.trade.gov/tic. Click on "Export Resources" then "National Export Directory."
- **District Export Councils, or DEC's,** are organizations of leaders from the local business community, appointed by successive secretaries of commerce, whose knowledge of international business provides a source of professional advice for local firms. You can find more information about the DEC's at <http://sites.usatrade.gov/dec/dec.html>.
- **Service Corps of Retired Executives, or SCORE,** offers counseling to small businesses through its network of 389 chapters. You can find the nearest one to you by going to www.score.org.